

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 495 - SB 801

March 21, 2013

SUMMARY OF BILL: Prohibits Rutherford County from imposing an impact fee or an adequate facilities tax on new age-exclusive developments for persons 55 years of age or older, which also excludes children as permanent residents. Authorizes Rutherford County and any municipality located within the county to reduce the impact fee or adequate facilities tax assessed.

ESTIMATED FISCAL IMPACT:

Decrease Local Revenue – Exceeds \$1,500/Rutherford County
Forgone Local Revenue – Exceeds \$1,500/Rutherford County

Assumptions:

- Pursuant to Tenn. Code Ann. § 66-5-211, “impact fee” is a monetary charge imposed by a local government to regulate new development on real property. “Adequate facilities tax” means any privilege tax that is a development tax imposed by a local government to any act of general or local application on engaging in the act of development.
- These fees and taxes are assessed one-time at the inception of a development project.
- According to Rutherford County, either an impact fee or an adequate facilities tax is applied to new developments within the county. The maximum fee assessed is \$1,500.
- According to Rutherford County, revenue collected from these assessments in FY11-12 was \$2,051,250.
- The fiscal impact of this bill to Rutherford County is dependent upon several unknown factors such as the number of new developments that will occur in the future, whether such new developments will occur only as a result of the bill, or whether any new developments will occur in the absence of the bill, and whether the County opts to reduce the rate currently assessed for impact fees or the adequate facilities tax. Given these unknown factors, a precise impact to local government revenue (for Rutherford County) is difficult to determine.
- At least one new development will occur each year; and at least one additional new development will occur each year only as a result of passage of the bill.
- The recurring decrease in local revenue (to Rutherford County) attributable to new developments is estimated to exceed \$1,500; forgone local revenue (to Rutherford County) attributable to new developments occurring only as a result of passage of this bill is estimated to exceed \$1,500 per year.

HB 495 - SB 801

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read 'Lucian D. Geise', written in a cursive style.

Lucian D. Geise, Executive Director

/jrh